



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 04/13/99

AGENDA ITEM 3

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Approval of Contract for Pilot Commercial Recycling Services

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to execute the contract with San Leandro Recycling for commercial recycling services.

BACKGROUND:

The California Integrated Waste Management Act of 1989 (AB 939) requires that all municipalities in California reduce the amount of garbage that is landfilled by 50% by the year 2000. Hayward's 1997 diversion rate is 38%. One of the programs the Council has approved for implementation to meet this diversion goal is a voluntary pilot recycling program for businesses. This one-year pilot will collect corrugated cardboard and mixed paper from approximately 190 "small to medium size" businesses with 15 to 400 employees. The program will provide indoor and outdoor storage containers for use by businesses to store the recyclables until they are collected by the service provider. This program has been proposed since about one-third of the material that is being thrown away by businesses is paper. Current estimates indicate that the pilot program could divert up to 2% of the City's waste stream. The pilot program will assist in determining appropriate services and fees for on-going commercial recycling programs. If all "small to medium size" businesses in the City implemented a paper recycling program, up to 5% of the City's waste stream could be diverted.

In November 1998, staff received Statements of Qualifications from four contractors who were interested in proposing on the project; Waste Management of Alameda County (WMAC), Tri-City Economic Development (Tri-CED), Browning-Ferris Industries (BFI), and San Leandro Recycling. A Request for Proposals for the pilot was issued in January 1999, with proposals due on February 22, 1999.

DISCUSSION:

Proposals were received from BFI and San Leandro Recycling. Tri-CED and WMAC did not submit proposals. Tri-CED reported that they did not submit a proposal because they did not believe they could acquire an appropriate collection vehicle within the requisite timeframe. WMAC indicated that they did not submit a proposal because they were uncertain that their fees would be competitive with others.

The proposals were evaluated using the following criteria: firm qualifications (10%), technical proposal (30%), price/cost proposal (50%), and responsiveness (10%). The fees in both proposals compare favorably to current refuse rates. The rates proposed by San Leandro Recycling are 57-64% of those proposed by BFI. The proposal submitted by San Leandro Recycling was deemed to be in the best interest of the City's plans for purposes of the pilot, based on the evaluation criteria listed previously. Since the proposed recycling fees are generally lower than refuse rates, hopefully businesses will embrace the City's efforts to increase commercial recycling and continue to recycle after the pilot.

The term of the contract will be approximately one year, from May 10, 1999, to May 31, 2000. Collection services are planned to begin in June 1999. The contract details the standards that must be met for providing reliable, courteous, and high quality service. It contains specific requirements related to care of private property, noise and litter abatement, quality and appearance of equipment, as well as the qualifications, conduct, and safety training of personnel. The contract contains clear performance and customer service standards along with liquidated damages for violations of those standards. Liquidated damages range from \$150 to \$500 per occurrence.

A copy of the proposed contract with San Leandro Recycling, including their proposal, is available at the City Clerk's office for review.

The City Council approved \$300,000 for this pilot program. Anticipated expenditures include contractor payments not exceeding \$217,000 (this action) and \$75,000 in outdoor storage containers for the recyclables.

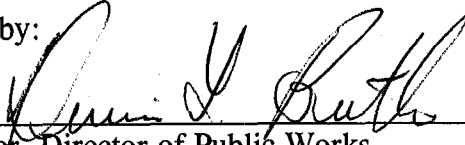
The details of the contract were reviewed by the Council's Environment Committee at its meeting of April 7, 1999. The Committee recommends approval of the contract.

Prepared by:



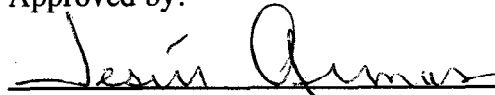
Alex Ameri, Deputy Director of Public Works/Utilities

Recommended by:



Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager

DRAFT

SM 4-6-99

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE A CONTRACT WITH SAN LEANDRO
RECYCLING FOR PILOT COMMERCIAL RECYCLING
SERVICES**

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized to execute on behalf of the City of Hayward a contract with San Leandro Recycling for commercial recycling services, in substantially the form of the contract on file in the office of the City Clerk, with such changes as are approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1999

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward